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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

MYHRE, JAMES W

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 07/22/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/852,497

Applicant(s)

L. VIGIL ET AL.

Examiner

James W Myhre

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 January 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-82 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-82 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input checked="" type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. <u>26</u> . |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____. | 6) <input type="checkbox"/> Other: _____. |

DETAILED ACTION

Supplemental Response to Amendment

1. The amendment filed on January 26, 2004 under 37 CFR 1.116 is sufficient to overcome the Small(5,791,991) and De Rafael et al (6,529,878) references. This office replaces the office action of March 15, 2004 (paper number 22) which also responded to the above amendment. The currently pending claims considered below are Claims 1-82.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-22 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that

promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is

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statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the

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presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, there is no use of technology in the above claims. While the independent claims have been amended (see Claim 1) to include the phrase "using an interactive media system" in the preamble, none of the claimed steps of the claim indicate that this "interactive media system" is an electronic media system nor that it is performing the actions. In order to place the claims within statutory subject matter, it is suggested that the Applicant amend the claims to more clearly define which steps are being performed by technology, such as computer processors, electronic communication networks, etc. For example, Claim 1 could be amended to include the newly added phrase into the transmitting steps, such as "a) transmitting over the interactive electronic media system an advertisement to a viewer;" or "a) transmitting an advertisement to a viewer over the interactive electronic media system;" In either case, the newly added phrase in the preamble would need to be amended to include the word "electronic" to provide antecedent support for the suggested amendment in that an

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“interactive media system” could include a manual system with which the viewer could interact (e.g. a system of survey takers conducting physical surveys of shoppers in a shopping mall). Similar amendments could be made to the other steps in the claim and to the other independent claims in order to place them within statutory subject matter.

Claim Objections

4. Claim 77 is objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form.

This claim is written as a multiple dependent claim (i.e. containing the limitations of any of the previous 75 claims) and adds the limitation that the “selection of the advertisement is based on demographic information about the viewer”. However, Claim 63 already contains the same limitation “wherein the ad server is configured to select an advertisement for transmission to the viewer based on demographic information of the viewer”. Thus, no new limitation is added to Claim 63 by this claim.

Claim Rejections - 35 USC § 112

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 76 and 77 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 76 and 77 are written in multiple dependent claim format (i.e. systems depending upon any of Claim 1-75). However, Claims 1-40 are method claims, not system claims, and therefore it is unclear how the method is being further limited by a dependent system claim.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-82 are rejected under 35 U.S.C. 103(a) as being unpatentable over Von Kohorn (5,034,807) in view of De Rafael et al (6,529,878).

Claims 1-3, 10, 22, 23, 41, 48, 60, 61, 66-70, 73, 74, and 78-82: Von Kohorn discloses a system, program, and method for advertising to a viewer, comprising:

- a. transmitting an advertisement to a registered viewer (col 48, lines 23-28);
- b. transmitting to the viewer a fleeting offer to submit an entry to win a prize, wherein the offer is displayed to the viewer only after the advertisement has been

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displayed for a period of time (col 43, lines 26-58; col 48, line 32; and col 49, lines 33-39);

c. receiving an entry for the prize (response to the offer) from the viewer (col 28, lines 25-29);

d. selecting an entry as a winning entry to receive a prize (col 49, lines 40-67); and

e. notify winner and transmit prize to winner (col 43, lines 51-55 and col 49, lines 62-64).

While Von Kohorn discloses that the winner's bank account can be directly credited with the prize amount (col 71, lines 20-24 and 55-59), it is not explicitly disclosed that the viewer has registered their demographic information with the system. The Examiner believes that the direct crediting of the bank account of the viewer who has won a prize implies that the viewer has already registered with the system. Furthermore, De Rafael discloses a similar system, program, and method for advertising to a viewer in which the viewer "sets up an account on the remote computer by inputting certain requested information. This information may include, for example, the user's name, residence address, age, and any other demographic information that an advertiser may wish to know about the persons who view its advertisements" (col 2, lines 45-51). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to have the viewer in Von Kohorn register with the system. One would have been motivated to register the viewer with the system in

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order to enable the direct deposit of winnings into the viewer's account as discussed by Von Kohorn.

Claims 4-9, 24-29, and 42-47: Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claims 3, 23, and 41 above, and Von Kohorn further discloses setting various time periods for displaying the advertisement, for the amount time in between the display of the advertisement and the offer, and for the amount of time the offer will be displays (time limit for responding)(col 16, lines 6-16; cols 23-24; col 37, lines 22-26; col 39, lines 37-46; and col 48, lines 65-67). While Von Kohorn discusses various time periods (e.g. 10, 20, and 30 seconds) and allows the studio host to "vary the time limit allowed from question to questions" (col 23, lines 19-22), it is not explicitly claimed that the time periods are "no less than 5 seconds", "no more than 30 seconds", etc. as claimed. However, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the system operator to set the time limit to whatever length desired, to include no less than 5 seconds or no more than 30 seconds. One would have been motivated to place such short time limits on the time periods for displaying the advertisement and displaying the offer in order to allow the system to be used in regular television programming which intersperses regular content programming with advertising spots, usually 15, 30, 45, or 60 seconds in length as Von Kohorn discusses.

Claims 11-13, 16, 17, 30-32, 35, 36, 49-51, 54, and 55: Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claims 3, 13, 23, 30, 41, and 51 above, and De Rafael further discloses the viewer submitting a

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response to the offer by clicking on a button (col 5, lines 12-34). While it is not explicitly disclosed that the button display a label which says "Enter Me", the Examiner notes that button labeling is part of the HTML language used when designing buttons on webpages and, as such, it would have been obvious to one having ordinary skill in the art at the time the invention was made to label the response submission button with the words "Enter Me" or other such descriptive terminology. One would have been motivated to place such a label on the response submission button in Von Kohorn in order to indicate to the user what the button was for, especially if there are several buttons being displayed on the webpage (such as the usual "Exit" and "Return" buttons).

Claims 14, 15, 33, 34, 52, 53, 71, and 72: Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claims 11, 30, 49, and 60 above, and both references further disclose providing the viewer with additional information from the advertiser by selecting a link to the advertiser's website (Von Kohorn, col 48, lines 14-17 and 45-51)(De Rafael, col 5, lines 12-34).

Claims 18-20, 37-39, and 56-58: Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claims 3, 32, and 41, but neither reference explicitly discloses displaying to the viewer the time remaining until the expiration of the time period for submitting a response. However, Official Notice is taken that it is old and well known in the gaming industry to display a countdown of time remaining to submit answers, such as on such well known television game shows as *Jeopardy*™. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to display the time remaining to submit a

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response to the viewer in Von Kohorn. One would have been motivated to display the time remaining to the viewer in order to motivate the viewer to submit a timely response.

Claims 21, 40, and 59: Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claims 3, 23, and 41 above, and both references further disclose a dynamic interstitial advertisement (Von Kohorn, col 19, lines 66-68 and col 48, lines 23-28)(De Rafael, col 1, lines 25-36).

Claims 62 and 75: Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claims 61 and 66 above, and both references further disclose transmitting a series of advertisements (i.e. serial advertisements)(Von Kohorn, col 21, lines 53-55 and col 48, lines 65-67)(De Rafael, col 6, lines 48-51).

Claims 63 and 77(all): Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claims 61 and 1-75 above, and De Rafael further discloses selecting the advertisement based on the demographics of the viewer (col 5, lines 52-67 and col 7, lines 10-15). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use the demographic information about the viewer in Von Kohorn when selecting the advertisement to be displayed. One would have been motivated to use the viewer's demographics in order to present an advertisement which was more likely to entice the viewer to purchase the advertised product.

Claim 64: Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claim 61 above, and Von Kohorn further discloses selecting the advertisement from a category of advertisements selected by the viewer (col 48, lines 1-17).

Claim 65: Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claim 61 above, and Von Kohorn further discloses selecting the advertisement from a category of advertisements selected by the viewer (col 48, lines 1-17). While neither reference explicitly discloses that the advertisement will be selected from a list of advertisers selected by the viewer, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the viewer in Von Kohorn to select one or more advertisers (or manufacturers), such as selecting Ford™ and Honda™ in the automobile category, instead of merely a category of products. One would have been motivated to allow the viewer to select one or more advertisers in order to present an advertisement which was more likely to entice the viewer to purchase the product.

Claim 76 (all): Von Kohorn and De Rafael disclose a system, program, and method for advertising to a viewer as in Claims 1-75 above, and both references further disclose that the advertiser pre-selects the prize (Von Kohorn, col 39, lines 48-49 and col 41, lines 18-20)(De Rafael, col 7, lines 37-40).

Response to Arguments

9. Applicant's arguments with respect to claims 1-82 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

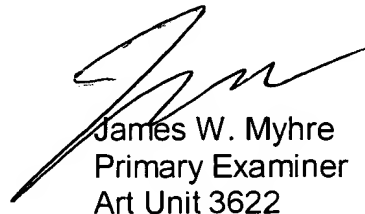
10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal and Official faxes is (703) 872-9306. Draft or Informal faxes may be submitted directly to the examiner at (703) 746-5544.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.


JWM

July 13, 2004


James W. Myhre
Primary Examiner
Art Unit 3622